

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Request to Update Default)	WC Docket No. 03-225
Compensation Rate for Dial-Around)	
Calls from Payphones)	

REPLY COMMENTS OF QWEST

Qwest Corporation and Qwest Communications Corporation (collectively “Qwest”), submit the following reply comments regarding the Federal Communications Commission’s (“Commission”) Further Notice of Proposed Rulemaking in this matter.¹ Specifically, Qwest opposes the American Public Communications Council’s (APCC’s) mistaken assertion that in adopting the \$0.494 per-call rate the Commission also changed the per-phone compensation rate.²

The per-phone compensation rate varies by carrier. A given carrier’s per-phone compensation rate is a function of three factors: the per-call compensation rate, the average number of calls per payphone, and the carrier’s market share. In Appendix C of the *Fifth Order*³ the Commission listed by carrier the amount of per-phone compensation payable for the period

¹ *In the Matter of Request to Update Default Compensation Rate for Dial-Around Calls from Payphones*, WC Docket No. 03-225, Further Notice of Proposed Rulemaking, 20 FCC Rcd 5833 (2005) (“*Further Notice*”); *see also* summary of *Further Notice*, 70 Fed. Reg. 24740 (May 11, 2005).

² Comments of the APCC, filed herein on June 27, 2005, at 14-17.

³ *In the Matter of Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128, Fifth Order on Reconsideration and Order on Remand, 17 FCC Rcd 21274, 21337-45 (App. C) (2002) (“*Fifth Order*”); *see also id.* at 21348-49 (Sec. 64.1301(e)) (App. F).

beginning April 21, 1999. The Commission used the then-current per-call compensation rate of \$.024, an average of 148 calls per payphone.⁴ In Appendix C the Commission also listed by carrier the market share that it used to calculate each carrier's per-phone rate. It is generally believed that the current average number of calls per payphone is less than the 148 used to calculate the rates appearing in Appendix C.

The Commission increased the per-call compensation rate to \$0.494 in an order released on August 12, 2004 in this proceeding.⁵ The APCC claims that in the *Fifth Order* the Commission really did not mean that each carrier has a set per-phone rate. Rather, claims the APCC, the Commission meant that the rate payable from April 21, 1999 was the current per-phone rate times 148 times the carrier's market share as listed in Appendix C, and the Commission meant that the per-phone rate changes automatically as the per-call rate changes. Thus, according to APCC, when the Commission increased the per-call compensation rate, it automatically increased the per-phone compensation rate. According to APCC's logic the per-phone rate in effect today is the result of the new, higher \$0.494 per-call rate, and the old average call volume of 148 calls per payphone. Of course, had this been the Commission's true intent, then the Commission would not have said in the *Further Notice* that it "remains to be seen whether the net effect [of lower average call volume and the increased per-call rate] is to justify a lower per-payphone rate, a higher one, or possibly the same per-payphone rate that is in effect today."⁶

⁴ See *id.* at 21285 ¶ 33.

⁵ *In the Matter of Request to Update Default Compensation Rate for Dial-Around Calls from Payphones*, WC Docket No. 03-225, Report and Order, 19 FCC Rcd 15636, 15637 ¶ 1 (2004).

⁶ *Further Notice*, 20 FCC Rcd at 5837 n.36.

The Commission should reject the APCC's misreading of the *Fifth Order*, and should confirm that the rates set forth in Appendix C are in effect until the Commission changes them.

Respectfully submitted,

QWEST CORPORATION
QWEST COMMUNICATIONS
CORPORATION

By: /s/ Daphne E. Butler
Blair A. Rosenthal
Daphne E. Butler
Suite 950
607 14th Street, N.W.
Washington, DC 20005
(303) 383-6653

Their Attorneys

July 25, 2005

CERTIFICATE OF SERVICE

I, Richard Grozier, do hereby certify that I have caused the foregoing **REPLY**
COMMENTS OF QWEST to be 1) filed with the FCC via its Electronic Comment Filing
System, 2) served via email on the FCC's duplicating contractors, Best Copy and Printing, Inc.
(at fcc@bcpiweb.com) and Natek, Inc. (at natekinc@aol.com) and 3) served, via first class
United States Mail, postage prepaid, on the parties listed on the attached service list.

/s/ Richard Grozier

Richard Grozier

July 25, 2005

Albert H. Kramer.....APCC
Robert F. Aldrich
2101 L Street, N.W.
Washington, DC 20037-1526

Paul J. Zidlicky.....AT&T
Joseph R. Palmore
Sidley Austin Brown & Wood LLP
1501 K Street, N.W.
Washington, DC 20005

Leonard J. Cali
Lawrence J. Lafaro
Martha L. Marcus
AT&T Corp.
Room A225
One AT&T Way
Bedminster, NJ 07921

Aaron M. Panner.....RBOC COALITION
Kellogg, Huber, Hansen, Todd,
Evans & Figel P.L.L.C.
Suite 400
1615 M Street, N.W.
Washington, DC 20036